

Decision No. 13208

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHWEST STORAGE COMPANY, INC., }
a corporation, for authority to }
incur indebtedness. }

Application No. 14261.

Merriam, Reinhart and Merriam,
by Ralph T. Merriam, for applicant.

BY THE COMMISSION:

O P I N I O N

In this application the Southwest Storage Company, Inc., asks permission to issue a seven percent note payable on or before five years after date for the sum of \$10,000.00; to use the proceeds to pay indebtedness; and to execute a mortgage to secure payment of such note.

Applicant is doing business as a public utility warehouseman in San Bernardino. It is also engaged in the wholesale and retail fuel, grain and feed business at Pasadena and also in the bottled water business in connection with its warehouse at San Bernardino.

By Decision No. 13249, dated March 7, 1924, in Application No. 9708 the Commission authorized applicant to issue a \$6,000.00 note and to execute a mortgage to secure the payment of an authorized note issue of \$10,000.00. By Decision No. 15861, dated January 15, 1926, in Application No. 12373, the

Commission authorized the company to issue an additional note for the sum of \$2,000.00, the payment of which was secured by the deed of trust executed under the authority granted in Decision No. 13249. It is of record in this proceeding that there is now due on the notes referred to \$6,067.00.

The testimony shows that the company now owes for street improvements \$1,775.00 and that it has outstanding accounts payable of \$8,541.90 and notes other than those mentioned of \$1,400.00.

Applicant's assets and liabilities as of November 1, 1927, are reported as follows:-

ASSETS:

Real Estate	\$18,000.00
Building	6,000.00
Trucks, machinery and equipment	2,500.00
Miscellaneous assets	1,500.00
Cash on hand and in bank	1,316.71
Notes receivable	300.00
Accounts receivable	4,473.27
Merchandise	<u>4,100.26</u>
Total Assets	<u>\$38,190.24</u>

LIABILITIES:

Notes payable - banks	\$ 1,400.00
Accounts payable	8,541.90
Notes secured by mortgage	6,067.53
Street assessment	<u>1,775.00</u>
Total Liabilities	<u>\$17,784.43</u>
Net worth	<u>20,405.81</u>
	<u>\$38,190.24</u>

The re-financing of the loan secured by the mortgage heretofore authorized by the Commission will enable the company to reduce its annual interest charges from nine percent to seven percent, and will also relieve the company of a large monthly pay-

ment on the principal. Applicant's officers are of the opinion that it will be able to sell or lease on advantageous terms some of its properties located in San Bernardino and thus obtain funds to pay, prior to maturity, the \$10,000.00 note which it now asks permission to issue.

A copy of the company's proposed mortgage has been filed in this proceeding. It will be a lien on the company's real properties situated in San Bernardino, and will be executed to Robert D. Barry who has agreed to loan applicant the \$10,000.00 referred to. We find the proposed mortgage to be in satisfactory form.

ORDER

Southwest Storage Company, Inc., having applied for permission to issue a \$10,000.00 note and execute a mortgage, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required by applicant for the purposes specified herein and that the expenditures are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Southwest Storage Company, Inc. be, and it is hereby, authorized to issue a \$10,000.00 seven percent note payable on or before five years after date and use the proceeds to pay part of its indebtedness existing on November 1, 1927.

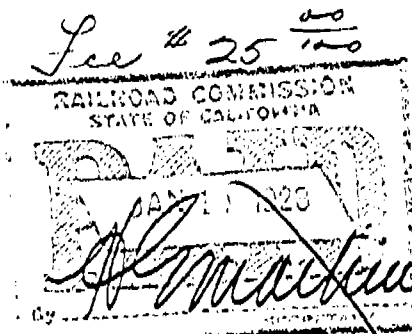
IT IS HEREBY FURTHER ORDERED that the Southwest Storage Company, Inc. be, and it is hereby, authorized to execute a mortgage substantially in the same form as the mortgage filed in this proceeding on December 7, 1927, provided,

that the authority herein granted to execute said mortgage is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said mortgage as to such legal requirements to which said mortgage may be subject.

IT IS HEREBY FURTHER ORDERED that the authority herein granted to issue said note and execute said mortgage will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the execution of the mortgage herein authorized, Southwest Storage Company, Inc. shall file with the Railroad Commission a certified copy of such instrument.

DATED at San Francisco, California, this 3rd
day of ~~December~~ ^{January}, 1928.



[Signature]
[Signature]
Leon Whitell
[Signature]
[Signature]

Commissioners.